

# **JOBS & ECONOMIC DEVELOPMENT**

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**“Our economy must be based on a philosophy of ‘Washington grown and Washington owned,’ with family-wage jobs for every Washingtonian.”**

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Washington workers and businesses are competing with businesses and workers around the globe from China to Ireland to India. In a world where economic rewards are achieved through education, innovation and research, Washington will be a global leader by using smart strategies, emphasizing our advantages and forging strong alliances across regions.

A strong economy creates family-wage jobs for Washingtonians. Governor Gregoire is preparing us to succeed in The Next Washington, with targeted state

investments that promote dynamic regional economies, globally competitive industries and highly skilled workers.

## **MAKING CHANGES FAMILIES CAN COUNT ON**

## Governor Gregoire's Budget for Economic Development:

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### **Innovates to create jobs**

**Turns research into products.** Increases research capacity for global health at the University of Washington, and for agriculture and alternative fuels at Washington State University. This academic research provides expertise to create and test new products with commercial applications in the global economy. *\$6.3 million GF-State for University of Washington, \$7 million GF-State for Washington State University, \$1 million GF-State to turn research into products*

**Invests locally.** Creates an Innovation Partnership Zones program to recognize areas where globally competitive companies and research institutions team up to drive the local economy with new products, skills training and local reinvestments. *\$5 million Capital*

**Expands high-speed internet access.** Provides better and faster internet infrastructure to promote telecommuting and e-commerce in rural parts of the state. *\$5 million Capital*

**Links entrepreneurs with “angel” investors.** Innovators and entrepreneurs often need help finding the funding to bring their ideas to market. In other words, they need an investor, an angel, who will show them the way. Connecting our creative entrepreneurs with venture capital funds can work wonders. *\$200,000 GF-State, competitive, performance-based contract*

**Improves job market information.** Provides new tools to meet emerging workforce needs around the state and assist local decision-makers with reliable, timely and useful regional job and economic information. *\$820,000 Administrative Contingency Account-State*

**Expands new economic development tools.** Doubles the competitive part of the Local Infrastructure Financing Tools (LIFT) program, created in 2005 to allow local governments to borrow against future project revenue in order to obtain immediate financing for local infrastructure needs. *\$5 million Local Funds*

### **Shows that Washington is Open for Business**

**Promotes tourism.** Substantially improves the marketing of Washington as a tourist destination. Establishes a public-private partnership to attract more visitors to sightsee, shop, stay and spend. *\$9 million Other Funds, \$856,000 GF-State for 2010 Olympics*

**Reduces the cost of new business.** Cuts Unemployment Insurance taxes for new employers by 15 percent. Lowers the taxes for new employers from 115 percent of their industry average to 100 percent of their industry average. *\$13 million Unemployment Insurance Trust Fund*

**Gives business a break in Medical Aid payments.** Provides a rate holiday on paying premiums into the Medical Aid Fund. The Department of Labor and Industries proposes to give businesses a temporary rate holiday in the second half of 2007, for a reduction in the rates paid by both employers and employees. *\$315 million Medical Aid Trust Fund*

**Invests locally to bring new jobs to Washington.** “Team Washington” unites state and local partners in a new spirit of cooperation to target growing and globally competitive companies with a marketing campaign to encourage them to relocate in Washington, bringing jobs and local economic investments. Marketing includes outreach and improved web presence. Supports local partners of Team Washington, reaching every county in the state with more secure funding and stronger performance measures. This is the first significant investment in this local network in 16 years. *\$6.6 million GF-State for local partners, \$430,000 GF-State for statewide support*

**Expands Small Business Development Centers.** Opens new offices in Grays Harbor, Kelso and Pullman, and expands services at all SBDCs. These centers help new businesses draft business plans and explore financing options so that they are more likely to succeed. *\$757,000 GF-State*

**Invests in new enterprise.** Creates a loan fund so that small businesses just starting out can get the loans they need to be successful. *\$2.4 million Capital*

**Eases taxes on rural small businesses.** Makes it easier for rural businesses to qualify for the rural county Business and Occupation tax credit, which is granted when jobs are created. Allows the credit for positions that are temporarily vacant or seasonal and allows a business to apply for the tax credit within 90 days after creating and filling the new jobs rather than before the jobs are created. Treats businesses equally by changing the base year from a calendar year to the previous four calendar quarters. *\$870,000 GF-State*

**Encourages research and development.** Simplifies the Research & Development (R&D) tax credit by making an eligible firm’s R&D credit base equal to the amount of its R&D spending, instead of the more complex calculation currently required. *\$1.8 million GF-State*